

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against **UNITED STATES STEEL**)
CORPORATION, a corporation organized)
under the laws of the State of Delaware and)
doing business at No. 1 Quality Drive, in the)
City of Ecorse, County of Wayne, State of)
Michigan)

AQD No. 50-2014

SRN: A7809

STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality (MDEQ) Air Quality Division (AQD) against United States Steel Corporation (Company), a Delaware corporation doing business at No. 1 Quality Drive in the City of Detroit, County of Wayne, State of Michigan, with State Registration Number (SRN) A7809. The MDEQ alleges that the Company is in violation of Renewable Operating Permit (ROP) 199600132d. Specifically, the MDEQ alleges that the Company violated the permit limit for Particulate Matter (PM) during two recent test events from the No. 2 Baghouse and failed to operate and maintain the air pollution control equipment in a satisfactory manner to comply with applicable ROP conditions, at the No. 2 Baghouse and the Continuous Galvanizing Line (EG-CON-GALV-LINE), as cited herein and in the Violation Notices dated October 10, 2012, April 26, 2013, and June 18, 2013. The Company is also alleged to have exceeded nitrogen oxide limits from the Continuous Galvanizing Line associated with the annealing furnace and the annealing furnace and edge burners combined. These alleged violations were cited in the Violation Notice dated February 3, 2014. The Company and MDEQ stipulate to the termination of this proceeding by entry of this Stipulation for Entry of a Final Order by Consent (Consent Order).

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451 (Act 451), MCL 324.101 *et seq.* is an act that controls pollution to protect the environment and natural resources in this State.
2. Article II, Pollution Control, Part 55 of Act 451 (Part 55), MCL 324.5501 *et seq.* provides for air pollution control regulations in this State.

3. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 2011-1 and has all statutory authority, powers, duties, functions and responsibilities to administer and enforce all provisions of Part 55.

4. The Director has delegated authority to the Chief of the AQD (AQD Chief) to enter into this Consent Order.

5. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

6. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.

7. This Consent Order becomes effective on the date of execution (effective date of this Consent Order) by the AQD Chief.

8. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

9. A. Permit

1. Upon issuance of PTI No. 219-06B and any subsequent permit revision shall be attached hereto as Exhibit A of this Consent Order.

2. Upon such date that the conditions of PTI No. 219-06B or subsequent permit revision are rolled into the Company's Renewable Operating Permit, then that Renewable Operating Permit will be attached hereto as Exhibit A of this Consent Order.

3. Any condition of PTI No. 219-06B or subsequent permit revision which is under appeal by the Company pursuant to Section 5506(14) of Part 55, MCL 324.5506(14), shall not be subject to stipulated penalties under this Consent Order provided that the appeal process began before a violation notice is issued.

B. Testing

1. Within 60 days of AQD approval of the test plan submitted by the Company pursuant to paragraph 9.B.2 below, the Company shall conduct stack testing for PM on No. 2 Baghouse at the No. 2 Basic Oxygen Process (EG2BOP-HMT).

2. Within 90 days of the effective date of the Consent Order and not less than 30 days before the scheduled stack test, the Company shall submit a test plan which meets the requirements specified in Exhibit B to the AQD Detroit District Supervisor and the Technical Programs Unit Supervisor for approval prior to testing.

3. Within 60 days of the test completion, the Company shall submit to the AQD Detroit District Supervisor and the Technical Programs Unit Supervisor a test report, which includes the test data and results.

4. Not less than seven (7) days prior to any stack testing which will be used to demonstrate compliance, the Company or his authorized agent, shall notify the AQD Detroit District Supervisor and the Technical Programs Unit Supervisor, in writing, of the time and place of the tests and who shall conduct them. A representative of the AQD shall have the opportunity to witness the tests.

C. Monitoring and Recordkeeping

1. Within 60 days of the effective date of this Consent Order, the Company shall inspect the bag leak detection system associated with EG2BOP-HMT to verify proper installation and operation in accordance with 40 CFR Part 63 Subpart FFFFFF. The Company shall submit a copy of this inspection report to the AQD Detroit District Supervisor and the Technical Programs Unit Supervisor within 45 days of the inspection being completed.

2. On and after the effective date of this Consent Order, the Company shall submit, on a quarterly basis, copies of all inspection reports of the No. 2 Baghouse to the AQD Detroit District Supervisor.

3. Within 30 days of the effective date of this Consent Order, the Company shall submit to the AQD Detroit District Supervisor a revised Operations and Maintenance Plan for the No. 2 Baghouse.

D. Emission Limits

1. On and after the effective date of this Consent Order, the PM emissions from the EG2BOP-HMT shall not exceed the emission rates specified in ROP conditions provided in Table E-E-01.16, Section II.B.1.A.1 and Table E-01.16, Section V.1 of ROP No. 199600132d, or as those conditions are incorporated into the most recently issued ROP.

2. On and after the effective date of this Consent Order, the NO_x emissions from the EG-CON-GALV-LINE shall not exceed the emission rates specified in the permit that is in effect provided as Exhibit A.

GENERAL PROVISIONS

14. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 *et seq.*, Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

15. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

16. This Consent Order addresses and resolves only those violations, actions and omissions set forth specifically in the Violation Notices issued by the MDEQ dated October 10, 2012, April 26, 2013, June 18, 2013, and February 3, 2014, and no other violations, actions, or omissions by the Company. Nothing in this Consent Order resolves any of the claims, violations, actions, and omissions alleged by the MDEQ or the United States in *United States et al v. United States Steel Corporation*, No. 2:12cv034, U.S. District Court, Northern District Indiana.

17. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$111,000.00 which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement

Identification No. AQD40057 on the face of the check. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

18. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 9.B.1, 9.B.2, 9.B.3, 9.C.1, 9.C.2, 9.C.3, 9.D.1, or 9.D.2 of this Consent Order, the Company is subject to a stipulated fine of up to \$5,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of this Consent Order, the Company is subject to a stipulated fine of up to \$1,000.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD40057-S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

19. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

20. To ensure timely payment of the settlement amount assessed in paragraph 17 and any stipulated fines assessed pursuant to paragraph 18 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest penalty shall be determined at a rate of twelve percent (12%) per year compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 18 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

21. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 17. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 18 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

22. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

23. This Consent Order shall remain in full force and effect for a period of at least three (3) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Detroit District Office District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief. Termination of this Consent Order shall be executed upon completion of the terms and conditions of this contract and will not be unreasonably withheld.

24. In the event United States Steel Corporation sells or transfers the facility, with SRN A7809, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Detroit District Office District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the United States Steel Corporation must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of

that agreement shall be forwarded to the AQD Detroit District Office District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

25. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

26. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

27. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at No. 1 Quality Drive, Detroit, Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Company, during and after any future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

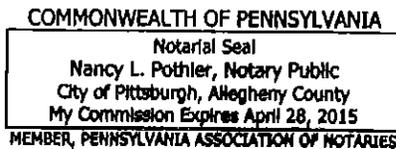
The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it. Signature by United States Steel Corporation's counsel certifies only that this Consent Order has been signed after consulting with counsel.

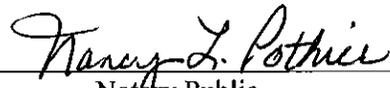
UNITED STATES STEEL CORPORATION

DOUGLAS R. MATHEWS SVP - NA. FLAT-ROLLED OPERATIONS
Print Name and Title

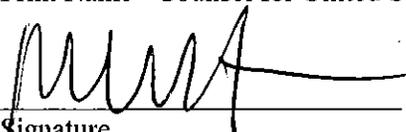
 Date: 9/25/14
Signature

The above signatory subscribed and sworn to before me this 25th day of SEPTEMBER, 2014.

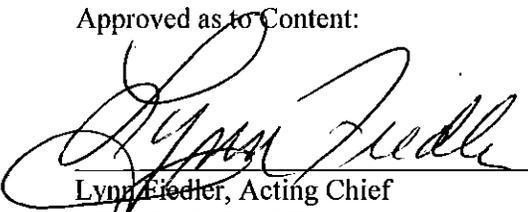



Notary Public

DAVID W. HACKER
Print Name - Counsel for United States Steel Corporation

 Date: 9/25/2014
Signature

Approved as to Content:


Lynn Fiedler, Acting Chief
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY

Approved as to Form:


Neil Gordon, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: 10/8/14

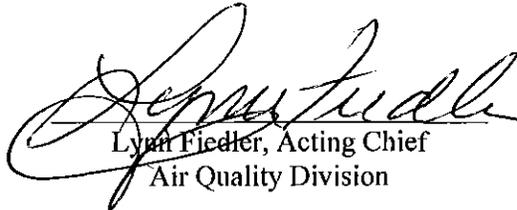
Dated: 10-2-14

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY


Lynn Fiedler, Acting Chief
Air Quality Division

Effective Date: 10/8/14

AQD No. 50-2014

Exhibit A
PTI No. 219-06B

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
FORMAT FOR SUBMITTAL OF SOURCE EMISSION TEST PLANS AND REPORTS
December 2013**

INTRODUCTION

The source emission test is often the ultimate determination of compliance. The results of a test are of great significance to both the regulatory agency and the source. Since the results may determine the course of future enforcement discussions between the agency and the source, it is important that the test be performed in a valid and representative manner. The complex nature of the various sampling methods places great responsibility on both agency and testing personnel to assure each test is an accurate representation of a source's actual emissions.

The objective of this document is to describe the Air Quality Division's (AQD's) technical submittal requirements for a source test. The format described applies to the requirements of the Michigan Department of Environmental Quality (MDEQ) Rule 1001 (4), federal regulations (Part 60-New Source Performance Standards, Part 61- National Emission Standards for Hazardous Air Pollutants (NESHAP), Part 63-Maximum Achievable Control Technology) and to any other emission test submitted for reasons such as a permit requirement, for a consent order, consent judgment, or at the request of the AQD.

TEST PLAN SUBMITTAL

In order to establish uniform requirements and help ensure proper test methods and procedures are employed, **the information specified below should be submitted to the appropriate AQD district office (DO) and the Technical Programs Unit (TPU) in Lansing**, at least 30 days prior to the scheduled test date. A complete submittal will minimize the possibility of a test rejection as a result of improper sampling or data collection methods.

Testing shall be performed in strict accordance with the procedures specified in Title 40 of the Code of Federal Regulations, Part 60 (Standards of Performance for New Stationary Sources, Appendix A, as amended), Part 61 (NESHAP, Appendix B), and Part 51 (Requirements for Preparation, Adoption, and Submittal of Implementation Plans, Appendix M); and the MDEQ Rules, Part 10, Intermittent Testing and Sampling. Any variations in the sampling or analytical procedures must be described in the test plan and receive approval from the AQD prior to testing. If state or federal test methods are not available for the pollutants of concern or the nature of the test site makes it impractical to use them, other methods may be proposed as necessary.

While the specific items in the test plan will vary depending on the source and pollutants of interest, the following format should be utilized:

- 1) Identification and a brief description of the source to be tested. The description should include:
 - a) Names, addresses, and contact information for the facility and consultant/personnel who will be performing the test. Expected test date(s).
 - b) Type of industrial process or combustion facility.
 - c) Type and quantity of raw and finished materials used in the process.
 - d) Description of any cyclical or batch operations, which would tend to produce variable emissions with time.
 - e) Basic operating parameters used to regulate the process.
 - f) Rated capacity of the process. Process capacity can be demonstrated by calculating an average and maximum production rate using facility records. Based on these figures the facility shall include a production rate to be maintained during emission testing.

- 2) A brief description of any air pollution control equipment associated with the process:
 - a) Type of control device.
 - b) Operating parameters.
 - c) Rated capacity and efficiency.
 - d) Any maintenance activity on the air pollution control equipment within the last three months.
- 3) Applicable facility SRN, permit number and emission limits for the process to be tested.
- 4) Identify all pollutants to be measured.
- 5) Describe in detail the sampling and analysis procedures, including the applicable standard methods reference. Provide a description of the sampling train(s) to be used, including schematic diagrams if appropriate. Justify any proposed sampling or analytical modifications.
- 6) The number and length of sampling runs, which will constitute a complete test.
- 7) Dimensioned sketch showing all sampling ports in relation to breeching and to upstream and downstream disturbances or obstructions of gas flow.
- 8) Estimated flue gas conditions such as temperature, moisture, and velocity.
- 9) Projected process operating conditions during which the tests will be run (e.g., production rate). **These conditions should match the operating conditions stated in the facility's permit or facility operations shall be at the maximum routine operating conditions during the test.**
- 10) A description of any process or control equipment data to be collected during the test period. This should include any permit required information used to demonstrate the acceptable operations of emissions control processes and production rates.
- 11) A description of any monitoring data to be collected during the test period and subsequently reported (e.g., stationary continuous emission monitor data).
- 12) Field quality assurance/quality control (QA/QC) procedures (e.g., field blanks, sample storage, and transport methods) and chain of custody procedures.
- 13) Laboratory QA/QC procedures utilized as part of the testing (e.g., manner and frequency of blanks, spikes, and standards). This should include analysis of audit samples where required as a component of the approved test method.

If the source operates under a Renewable Operating Permit (ROP), certification by a responsible official, as defined in the Michigan Air Pollution Control Rule 336.1118(j), using the Renewable Operating Permit Certification (ROPC) form (EQP 5736), must be included with the test plan and cover letter. This form shall certify that the testing will be conducted in accordance with the attached test plan and that the facility will be operated in compliance with permit conditions or at the maximum routine operating conditions for the facility.

EMISSION TEST REPORTING

The emission test report should contain all pertinent data concerning the test program. In addition to reporting the results, it should include descriptions of the source, the sampling and

analytical methodologies, the process operating conditions, and all raw field data, laboratory analytical data, and calculation methods. Since the report will serve as evidence to both the agency and the source as a demonstration of the compliance status of the facility, it is important it be complete in content and adequate in quality. Its contents should be presented in an understandable and organized manner. **The information listed below shall be submitted to the appropriate AQD DO and the TPU** by the date specified in an applicable air use permit, consent order, consent judgment, or state or federal regulation. Otherwise, pursuant to the MDEQ Rule 1001(4), a complete test report shall be submitted to the AQD within 60 days following the last date of testing. In the event that the test report is not complete, additional information will be requested for submittal. If the information is not received following two written requests to the facility, the test results may be rejected by the AQD.

While the exact format of the report and the applicable information necessary will vary depending on the source and the pollutants of interest, the following format should be utilized.

- 1) Introduction:
 - a) Identification, location, and dates of tests.
 - b) Purpose of testing.
 - c) Brief description of source.
 - d) Names, addresses, and telephone numbers of the contacts for information regarding the test and the test report, and names and affiliation of all personnel involved in conducting the testing.
- 2) Summary of Results:
 - a) Operating data (e.g., production rate, fuel type, or composition).
 - b) Applicable permit number, State Registration Number (SRN), and Emission Unit ID or designation for the source.
 - c) Results expressed in units consistent with the emission limitation applicable to the source, and comparison with emission regulations.
- 3) Source Description:
 - a) Description of process, including operation of emission control equipment.
 - b) Process flow sheet or diagram (if applicable).
 - c) Type and quantity of raw and finished materials processed during the tests.
 - d) Maximum and normal rated capacity of the process.
 - e) A description of process instrumentation monitored during the test.
- 4) Sampling and Analytical Procedures:
 - a) Description of sampling train(s) and field procedures.
 - b) Description of recovery and analytical procedures.
 - c) Dimensioned sketch showing all sampling ports in relation to breeching and to upstream and downstream disturbances or obstructions of gas flow.
 - d) A sketch of cross-sectional view of stack indicating traverse point locations and exact stack dimensions.
- 5) Test Results and Discussion:
 - a) Detailed tabulation of results including process operating conditions and flue gas conditions.
 - b) Discussion of significance of results relative to operating parameters and emission regulations.
 - c) Discussion of any variations from normal sampling procedures or operating conditions, which could have affected the results.
 - d) Documentation of any process or control equipment upset condition, which occurred during the testing.

- e) Description of any major maintenance performed on the air pollution control device(s) during the three month period prior to testing.
- f) In the event of a re-test, a description of any changes made to the process or air pollution control device(s) since the last test.
- g) Results of any quality assurance audit sample analyses required by the reference method.
- h) Calibration sheets for the dry gas meter, orifice meter, pitot tube, and any other equipment or analytical procedures, which require calibration.
- i) Sample calculations of all the formulas used to calculate the results.
- j) Copies of all field data sheets, cyclonic flow checks, including any pre-testing, aborted tests, and/or repeat attempts.
- k) Copies of all laboratory data including QA/QC (e.g. blanks, spikes, standards).

If the source operates under an ROP, certification by a responsible official, as defined in the Michigan Air Pollution Control Rule 336.1118(j), using the ROPC form (EQP 5736), must be included with the emission test results and cover letter. This form shall certify that the testing was conducted in accordance with the approved test plan and that the facility operating conditions were in compliance with permit requirements or were at the maximum routine operating conditions for the facility.

REFERENCES

¹ Michigan Department of Environmental Quality Rules, Part 10, Intermittent Testing and Sampling.

² United States Environmental Protection Agency, Plant Inspection Workshop-Techniques for Evaluating Performance of Air Pollution Control Equipment: Observing Compliance Tests, February 1981.

Mailing Address for the Technical Programs Unit

Michigan Department of Environmental Quality
Air Quality Division
Technical Programs Unit
P.O. Box 30260
Lansing, MI 48909-7760

Street Address for Technical Programs Unit (needed for Federal Express, UPS, etc.)

Michigan Department of Environmental Quality
Air Quality Division – Technical Programs Unit
Constitution Hall, 2nd Floor, South
525 West Allegan Street
Lansing, MI 48933